

Congress of the United States
House of Representatives

COMMITTEE ON OVERSIGHT AND ACCOUNTABILITY

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MEMORANDUM

May 5, 2023

To: Members of the Committee on Oversight and Accountability

From: Committee Staff

Re: Full Committee hearing titled “ESG Part I: An Examination of Environmental, Social, and Governance Practices with Attorneys General”

On Wednesday May 10, 2023, at 10:00 AM ET, in room 2154 Rayburn House Office Building, the Committee on Oversight and Accountability will host a hearing titled “ESG Part I: An Examination of Environmental, Social, and Governance Practices with Attorneys General.”

I. BACKGROUND:

A recent letter signed by 21 state Attorneys General highlighted how organizations—including asset managers and proxy advisers—could be violating state and federal law to channel funds for political objectives.¹ By placing environmental, social, and governance (ESG) initiatives above their clients’ financial returns, asset managers may breach their fiduciary duty to investors.

II. HEARING PURPOSE:

This hearing will examine the concerns of several state Attorneys General related to the integration of ESG factors by asset managers and how these principles are being used by activist shareholders to shape corporate behavior.

III. WITNESSES:

Sean Reyes
Attorney General
Utah

Steve Marshall
Attorney General
Alabama

¹ Letter from Austin Knudsen, Attorney General of Montana, et al., to BlackRock, Inc., et al. (Mar. 30, 2023).